

# EXHIBIT 8



Puerto Rico

## Oversight Board Outlines Next Steps for Taking Commonwealth Plan Effective by March 15 Deadline, Aims to Complete Restructuring of PREPA, HTA in 2022

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### Relevant Document: [Press Release](#)

During a press conference this afternoon following Judge Laura Taylor Swain's [confirmation](#) of the commonwealth plan of adjustment, PROMESA oversight board Executive Director Natalie Jaresko said that the entity will need to work even more closely with commonwealth leaders to execute the remaining steps needed for the plan to go effective by a March 15 deadline. The oversight board is also prioritizing completing the debt restructurings of the Puerto Rico Electric Power Authority and the Puerto Rico Highways and Transportation Authority during 2022, but indicated that the commonwealth is taking the lead on a potential debt restructuring at the University of Puerto Rico, which Jaresko emphasized is not in Title III.

"We look forward to an effective date no later than March 15," Jaresko said. The oversight board previously moved to amend plan support agreements to push out the effective date deadline to March 15, rather than the original Jan. 31 outside target date, to allow time for litigation between the oversight board and commonwealth over pension-related laws to play out. The parties reached a [resolution](#) on that matter in late December.

Jaresko acknowledged that there are "pages and pages" of items to address in order to take the plan effective, starting with certification of an updated fiscal plan by month's end. That would then open the door to the process of amending the current fiscal 2022 budget to reflect debt service on the new GO bonds and other payments contemplated in the plan related to other creditors, pensions and labor accords.

Jaresko noted a Jan. 27 target date to certify an updated fiscal plan that will reflect a "substantial increase" in government spending now that the scope of debt service costs has been established through the confirmed plan.

Jaresko provided no details on efforts underway to secure tax exemption for the new general obligation bonds and the contingent value instruments that are to be issued under the plan. She signaled that the IRS has not issued a letter ruling and the oversight board will continue to await a ruling "if one is coming."

Work is ongoing to finalize the securities contemplated in the plan, including the new GO bonds and CVIs. Steps there include assigning CUSIPs and issuing the securities. A material open issue is whether the CVIs will qualify as tax-exempt as intended in the plan, according to two sources with knowledge of the process. The PSA requires the oversight board to use its best efforts to secure the tax-exempt status.

Oversight board Chairman David Skeel stressed the complexity of Puerto Rico's debt restructuring and the "win-win" upside of the plan of adjustment, which he characterized as "completely fair and sustainable" for the island. Skeel anticipated that Puerto Rico "will not have problems" complying with the plan. He and Jaresko outlined guardrails - including limits on the incurrence of debt and the use of bond proceeds, along with pension system protections - aimed at ensuring the commonwealth does not slide back into bankruptcy.

Skeel stressed the "unprecedented" nature of Puerto Rico's bankruptcy under PROMESA, saying it is three times larger than the Detroit bankruptcy, which had been the largest ever in the U.S. municipal

bond market and had only a fraction of Puerto Rico's unfunded pension liability. He credited "remarkable innovations" in the plan, including the development of a CVI, for overcoming the sharp differences between parties to the bankruptcy.

Skeel said that the CVI instrument is unique in the U.S. municipal market, but that they have been used in sovereign restructurings. The oversight board officials said the CVI, which is tied to the sales tax performance for some creditors and rum tax receipts for others, is much more precise than those used in sovereign restructurings that have been tied to gross domestic product growth or other benchmarks. The CVI provides creditors with additional recovery if the commonwealth outperforms economic expectations, but Jaresko emphasized that the commonwealth shares this outperformance with creditors and that the plan has caps on recoveries for creditors under the CVI vehicle.

The oversight board officials also emphasized during the press conference that the plan contains debt management provisions aimed at ensuring the commonwealth refrains from excessive borrowing and spending. These include a cap on incremental debt issuances requiring that long-term debt issuances be used for capital works and limiting maturities to 30 years. Oversight board attorney Martin Bienenstock of Proskauer Rose said the oversight board would be enforcing the policy while it is still in existence and that enforcement would then fall to the commonwealth government. However, under the plan, creditors can also enforce these provisions and others impacting their rights through appeals to the commonwealth government and the federal courts.

Asked what lesson Puerto Rico's debt restructuring provided to the municipal bond market, Skeel said, "bankruptcy works." He indicated that both creditors and the oversight board are happy with the outcome, and cast doubt on predictions that nobody would ever lend to Puerto Rico again after they filed for Title III. "I don't think that will be the case at all. I think the process has worked well," Skeel added, noting that the municipal bond market has performed well despite Puerto Rico's bankruptcy process.

### **PREPA/HTA**

Expressing hope that the oversight board will hold similar press conferences for both PREPA and HTA in the "not too distant future," Skeel said the experience of the commonwealth's Title III cases shows that "once this train started rolling things went more and more quickly."

"So as difficult as things may seem today, we hope to finish a couple of these other bankruptcies relatively promptly," Skeel continued, adding that the pending Title III restructurings will follow the principles of the commonwealth plan in terms of "a one-and-done restructuring that is as consensual as possible."

Jaresko reiterated the oversight board's commitment to the current PREPA restructuring support agreement and focus on working with the Legislature to approve securitization legislation contemplated in the RSA. She again acknowledged that the oversight board would have to "look at all of our options" if the legislation is not forthcoming while also reiterating that "not proceeding" with the RSA carries a range of "risks and uncertainties," including whether PREPA's bondholders would even be willing to return to the bargaining table. Asked whether the RSA could be abandoned in favor of a debt adjustment agreement directly with PREPA bondholders, the executive director noted that PREPA's Title III restructuring covers other issues including pensions and other matters.

### **Government Leaders React**

Prior to the press conference, Puerto Rico government leaders hailed Judge Swain's [confirmation](#) today of the plan of adjustment for the commonwealth of Puerto Rico, the Puerto Rico Employees Retirement System and the Puerto Rico Public Buildings Authority Title III debtors.

In a [statement](#) this afternoon, Gov. Pedro Pierluisi said the confirmation is a "big step" in Puerto Rico's economic recovery. Pierluisi said that the commonwealth is at a "transcendental moment" and on its way to end the bankruptcy process under PROMESA so that it can concentrate on the progress that residents expect and deserve.

"The agreement, although not perfect, is very good for Puerto Rico and protects our pensioners, the University [of Puerto Rico] and our municipalities to serve our people. Further, it significantly reduces the debt of our government to a sustainable level that will enable us to comply with our obligations while at the same time have the resources to grow our economy and guarantee essential services to our people," the governor said.

Pierluisi noted that during the past five years, Puerto Rico has had to deal with hurricanes, earthquakes and a global pandemic in addition to its government bankruptcy. However, Puerto Rico's economy and people have proven resilient and the island is "headed to a future of great achievement," the governor added. Pierluisi thanked the Puerto Rico Fiscal Agency and Financial Advisory Authority, the oversight board and other parties who worked on the commonwealth plan of adjustment as well on the COFINA and Government Development Bank debt restructurings.

Resident Commissioner Jenniffer González said that the confirmation is one of the most important steps needed for Puerto Rico to "succeed economically" and to "do away with one of the stark indicators of our colonial status, the Financial Oversight and Management Board for Puerto Rico." González added that the goal of all commonwealth government officials must be to "maximize economic resources" to ensure that budgets are balanced and to foment economic development on the island.

"Puerto Rico has a future," Senate President José Luis Dalmau said in an emailed statement, characterizing confirmation of the plan as the "most transcendent step in the island's financial recovery." The Senate leader continued: "From this moment forward begins a new chapter in fiscal responsibility, good government and unity, which will lead to a more prosperous economy, a climate for job creation and better fiscal stability." Dalmau thanked the lawmakers "that made this possible" along with House Speaker Rafael "Tatito" Hernández and Gov. Pierluisi "for honoring the pledge we made to put Puerto Rico above any other matter."

Before the press conference, the oversight board said via Twitter that the commonwealth plan confirmation "begins a new chapter in Puerto Rico's history."

Puerto Rico's "inability to pay its debt has hampered" its economic recovery and affected residents' lives and the success of island businesses, the oversight board added. It noted that the plan of adjustment reduces commonwealth debt by 80% and saves the commonwealth more than \$50 billion in debt service payments.

The oversight board also said that Puerto Rico "needs to continue to reform itself to ensure a prosperous future for and determined by its people. PROMESA paved the way to that future, and the FOMB is proud to be able to play its part in Puerto Rico's reconstruction, so Puerto Rico can shine again."

The oversight board lauded Judge Swain's handling of the case, citing her "tireless leadership, her exemplary diligence, and her dedication to a fair solution" to Puerto Rico's debt crisis.

--John Marino, Kevin Mead, Alix Brozman

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